

**SEMINAR ON**

**COMMITMENTS UNDER THE WTO:**  
**TRIPS, TRIMS, AND GATS**

**Dakar, Senegal, 16-17 May 2001**

**Sponsored by**  
**USAID/West African Regional Program**

**ACTIVITY REPORT – JUNE 2001**

**Prepared by Booz·Allen & Hamilton, Inc. (BA&H)**  
**Contract PCE-I-00-98-00013-00, Task Order No. 807**  
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**June 14, 2001**

This report was prepared by Mr. John Powers and Mr. Emad Tinawi of Booz·Allen & Hamilton Inc. for the USAID-funded project, "Technical Assistance Seminars for the Countries of West Africa" (PCE-I-00-98-00013-00, Task Order No. 807). The report was submitted to project Cognizant Technical Officer Jean Harman of the USAID West Africa Regional Program Regional Strategic Team on June 14, 2001.

## **I. SEMINAR GOALS**

This seminar, sponsored by the United States Agency for International Development (USAID) under its West Africa Regional Program, was organized by Booz·Allen & Hamilton (BA&H) and held in Dakar Senegal, at the Hotel Méridien Président, on 16 and 17 May 2001. The primary goal of the seminar was to increase the understanding of the World Trade Organization (WTO) commitments, specifically those pertaining to Trade Related Investment Measures (TRIMs), Trade Related Aspects of Intellectual Property Rights (TRIPs), and the General Agreement on Trade in Services (GATS). The seminar was also designed to provide a clearer understanding of the policy commitments associated with these agreements and the relevance of the WTO commitments to regional trade and developing countries. A secondary goal of the seminar was to promote a frank exchange of views between the participants about the perceived obstacles to and benefits of making the commitments to liberalize trade in goods and services under these agreements within the framework of the WTO.

## **II. ATTENDANCE**

Twenty nine participants from seven ECOWAS countries registered for the seminar. The total number of attendees was actually twenty-six, including participants from the United States Embassies in the region. (See Annex A, "List of Participants.")

## **III. SEMINAR AGENDA**

The seminar agenda was as follows:

### **Wednesday, 16 May 2001:**

- **Opening remarks**
- **Presentation I:** "Commitments Under the WTO: TRIMs, TRIPs, and GATS"

*This presentation began by providing a review and an analysis of trade flows in the West African region, specifically for the ECOWAS countries. These trade flows were then compared to trade flows in other economic blocs in Europe, Asia, and the Americas. An overview of the structure of the World Trade Organization (WTO) was provided, including its membership, its organizing principles, and its rules and agreements that form the basis of the multilateral trading system.*

- **Presentation II:** "Agreement on Trade Related Investment Measures (TRIMs Agreement)"

*This presentation provided an overview of what actually constitutes a trade related investment measure, as well as the objectives and the important provisions of the TRIMs Agreement. These provisions include national treatment; most favored nation (MFN); the elimination of quantitative restrictions; notification and transparency; and enforcement. The presentation emphasized the importance of the agreement to increasing foreign direct investment (FDI) to the ECOWAS countries. An analysis of global FDI flows was undertaken to demonstrate the relative position of Sub-Saharan Africa in general and the West African region in particular to much of the rest of the world.*

- **Presentation III:** "Commitments Under the General Agreement on Trade in Services (GATS)"

*During this presentation, the objectives and structure of GATS were discussed, with particular emphasis on financial services. The overview described the different modes for trade in services that are covered under the agreement. These modes for trade in services are cross border supply; consumption abroad; commercial presence; and the presence of natural persons. The nature of the GATS commitments that WTO members make was explained, using financial services as an example of such commitments. The presentation also analyzed the trade data in goods and services. This data revealed that, despite Sub-Saharan Africa's minimal share of the global export trade in goods and services, services represent almost forty (40) percent of value-added in the West African region. Finally, the presentation touched upon the impact of technological changes on the nature of trade in services, and how such changes are raising a number of difficult problems. These problems include classification of services under the GATS Agreement itself, and how governments should respond to the changing nature of the service economy.*

- **Presentation IV:** "Agreement on Trade Related Aspects of Intellectual Property (TRIPs Agreement)"

*This presentation set forth the basic objectives of the TRIPs Agreement, which involve balancing the protections accorded to the owners of intellectual property with the goals of transferring and disseminating technology to the mutual advantage of producers and users of technological knowledge in a manner consistent with social and economic welfare. The seven basic areas covered by the agreement were reviewed, including copyright; trademarks; patents; geographical indications; industrial designs; layout design of integrated circuits; and trade secrets. Finally, the presentation stressed how the agreement is the first attempt at bringing intellectual property into the world trade structure, and how developing country interests in this area are substantial and should be reflected in future WTO work.*

**Thursday, 17 May:**

The beginning hour of the morning session began with a review of the previous day's four presentations. Much of this time was spent reviewing what liberalizing trade with respect to goods and services actually means, as a number of seminar participants from the previous day saw trade liberalization as the government losing its regulatory power over certain key sectors in the economy. A number of examples of countries were brought up to demonstrate how undertaking commitments to liberalize trade in certain services helped improve services that governments were having problems delivering. Liberalized trade in services created new trade and investment opportunities, new business growth to provide ancillary services, and in many cases significant transfer of technology to the importing country.

- **Presentation V:** "Advantages of the Multilateral Trading System and the Relevance of WTO Commitments in the Context of Regional Trade"

*This presentation provided a review of the WTO in the context of the global economy and the changing nature of the WTO's institutional development in response to global trade issues. The presentation explained how the WTO, as a member-driven organization, is shaped by the demands and needs of member countries. Therefore, countries stand to gain added benefits from their WTO membership to the extent that such countries actively participate in the WTO institutions and shape its agenda. The presentation discussed the institutional imperatives of the WTO, and the importance for developing countries to pursue a regional approach to key issues affecting their economic growth, reform, and development.*

Many of the issues raised during the question and answer sessions during the first day's presentations (16 May 2001), as well as the morning presentation on the second day, were addressed during the workshop sessions held in the afternoon of the second day.

- **Session 1:**
  - Workshop A: Trade in Services (including financial and telecommunication services)
  - Workshop B: Trade facilitation (the TRIMs Agreement and foreign direct investment)
- **Session 2:**
  - Workshop A: Trade facilitation (the TRIMs Agreement and foreign direct investment)
  - Workshop B: Trade in Services (including financial and telecommunication services)
- **Closing remarks**

\* Copies of the presentations made at the seminar, as well as minutes from the workshop sessions, can be obtained via the Internet at the following address: <http://warpseminars.xservices.com>.

#### **IV. KEY ISSUES IDENTIFIED AND LESSONS LEARNED**

The following three central themes were discussed at the workshops:

##### **1. Benefits of Increased Trade Liberalization and Competition in the Service Sectors, and Relevance of WTO Commitments**

- There was widespread support among the participants for increasing trade liberalization and competition in services, and for supporting commitments under TRIMs and TRIPs.
- The participants understood that liberalization of trade in services means that ECOWAS countries have to make wider and deeper commitments under GATS. However, in some services such as education, water, and health services, and in electric power to a lesser extent, there was a perceived need for the government to play an active role in helping to bring these services to those segments of society unable to afford them.
- A clear and consistent legal framework, applied equally to the government and the private sector, was seen as critical to having meaningful public-private partnership and competition in the area of services.
- Liberalizing trade in services should also focus on creating the conditions for effective competition, either between private sector entities or between the public and private sectors. Public monopolies should not be replaced with private monopolies.
- The participants strongly endorsed the notion that the private sector should be more proactive and engaged in the formulation of national and regional policies to promote trade in services.

##### **2. The Appropriate Role of Governments in Enhancing Trade in Services and Attracting FDI**

- Governments have historically played an almost exclusive role in enhancing trade in services, with almost no input from the private sector. The participants agreed that the ECOWAS governments should actively solicit the help of the private sector in designing national and regional trade strategies.
- In West Africa, the governments have not fully understood the implications of liberalizing services for business creation in their countries. For example, in the health sector, there are numerous ancillary businesses that have been created by privatizing hospitals in Côte d'Ivoire, such as laundry services, outpatient care, meal and transport services, and security services. The participants emphasized that the governments should provide more opportunities for the private sector to penetrate new segments of the service sector.
- Governments in the region still perceive liberalization to be somewhat synonymous with complete deregulation. However, it was explained to the participants that GATS specifically provides for appropriate government regulation, such as health standards or consumer protection regulations.
- Participants recognized that domestic savings alone are insufficient to build a modern infrastructure in the ECOWAS countries. External funds (i.e., foreign direct investment) are needed. To encourage FDI, governments should eliminate trade barriers and create neutral, objective, and transparent rules, so that the competitive environment in the affected markets remains non-discriminatory and pro-competitive to the fullest possible extent.

- The scope of government intervention must be appropriately defined to achieve specific and legitimate policy objectives. Laws should be no more intrusive than necessary.
- The transparency required by WTO rules at the international level must be replicated at the national level to provide domestic businesses with the same access to government information.

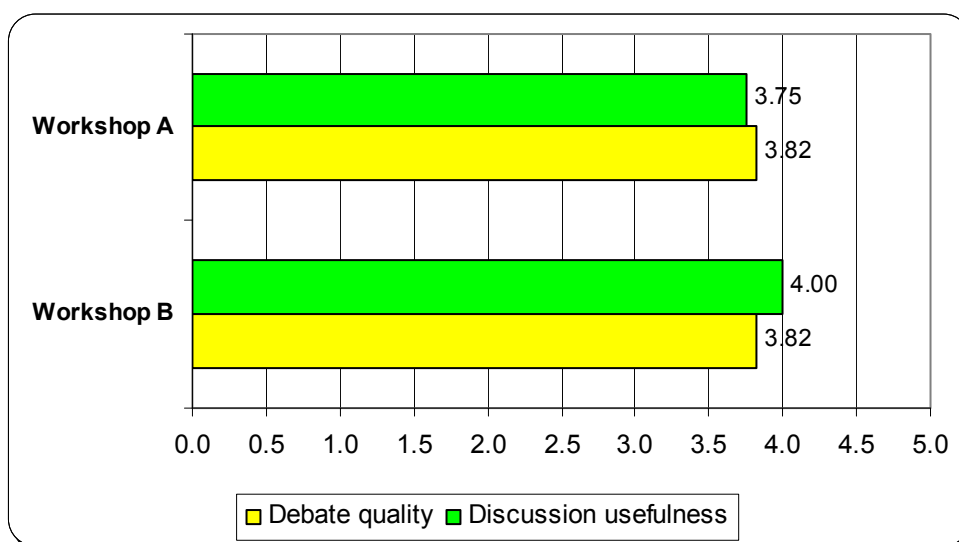
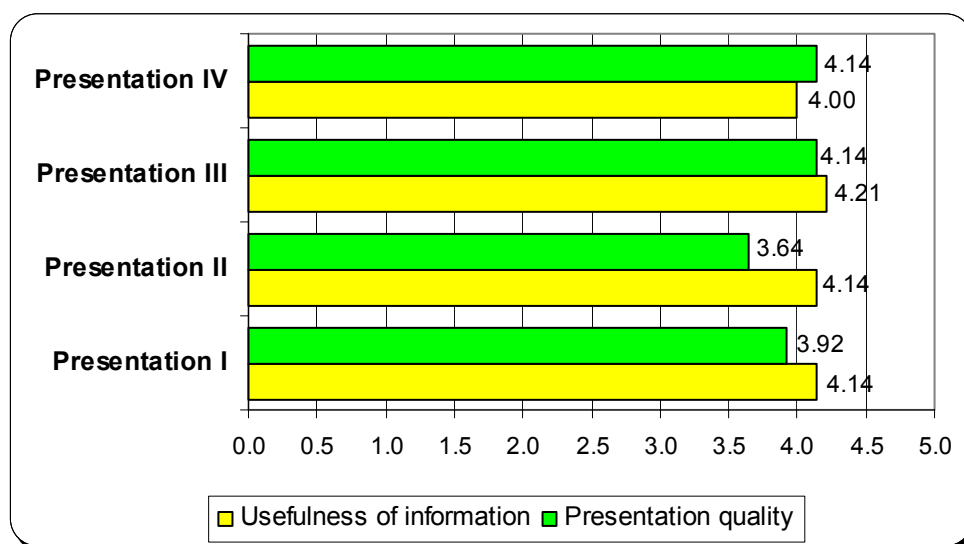
### **3. The Role of Regional Bodies in Promoting Trade in Services**

- There was unanimous agreement among all the participants that, to overcome the small size and fragmented nature of national markets and to attract more FDI, ECOWAS and WAEMU countries must develop stronger and more closely integrated regional markets.
- Governments need to collectively define where their advantages lie with respect to services and attempt to harmonize a regional approach within ECOWAS. Deeper policy integration is needed within the member states of ECOWAS, particularly with regard to tariff and non tariff-barriers, customs duties and procedures, and foreign investment codes.
- ECOWAS and WAEMU must pursue a regional approach to trade promotion and investment in services within the WTO. ECOWAS has been an ineffective player at the WTO to date.
- Many countries within the ECOWAS region have been preoccupied with security concerns, which may have kept them from concentrating on coordinating their approach to increasing trade in services.
- Both ECOWAS and WAEMU could play a meaningful role in harmonizing regional standards across service categories, such as telecommunications, transport, electricity transmission, water, and certain financial services.
- Despite its poor track record, ECOWAS was still regarded as being the suitable institution for facilitating intra-regional trade.

## V. PARTICIPANT EVALUATION OF PRESENTATIONS AND WORKSHOPS

The following two graphs present the results of the participants' evaluation of the presentations and workshops. The scale used to rate each event was:

1. Poor
2. Mediocre
3. Good
4. Very Good
5. Excellent



## Annex A – List of Participants

Countries	Names	Addresses
<b>Cape Verde</b>	Mr. Julio Almeida Mrs. Veronica Martins Mr. Orlando José Mascarenhas	Chamber of Commerce – Praia US Embassy- Praia Chamber of Commerce – Praia
<b>Côte d'Ivoire</b>	Mr. Oguié Sain Mr. James Stewart	Chamber of Commerce- Abidjan US Embassy - Abidjan
<b>Mali</b>	Ms. Jean Harman Mr. Moussa Sangaré Mr. Cheick Oumar Sy	USAID/WARP - Bamako Direction des Douanes - Bamako Direction des Douanes - Bamako
<b>Sénégal</b>	Mr. Daouda Baal Mr. Mame Nbiobo Diene Mr. Alioune Gassama Mr. Mbouye Traoré	Direction de l'Analyse, de la Prévision des Statistiques - Dakar
	Mr. El Hadji Alioune Diouf Mrs. Leye Mariama Dramé Mr. Mbaye Kébé Mr. Habibou Ndiaye	Ministère du Commerce et de l'Industrie - Dakar
	Mr. Ousmane Mbengue	Direction des Douanes - Dakar
	Mr. Assane Gueye Mrs. Nelly Ndiaye	APIX - Dakar
	Mr. Timothy L. Forsyth Mr. Joseph Van Meter	US Embassy - Dakar USAID – Dakar
<b>Togo</b>	Mr. Thierno Bocar Tall	ECOWAS Funds - Lomé
<b>United States of America</b>	Mr. Douglas Newkirk Mr. John Powers Ms. Fatoumata Thiam Mr. Emad Tinawi	Booz·Allen & Hamilton – McLean, Virginia